



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE REFER TO FILE: **W-0**

June 19, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PUBLIC HEARING FOR A WATER WELL SURCHARGE,
CAPITAL IMPROVEMENT BILLING UNIT CHARGE, AND COOPERATIVE AGREEMENT
WITH HASLEY CANYON LAND COMPANY, L.L.C. FOR
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, VAL VERDE
SUPERVISORIAL DISTRICT 5
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

As the governing body of the Los Angeles County Waterworks District No. 36, Val Verde:

1. Approve: (a) a Water Well Surcharge of \$4.90 per month per metered connection to be collected during a 7-year period, and (b) a Capital Improvement Billing Unit Charge of \$2,800.00 per billing unit, as defined in the Rules and Regulations of the Los Angeles County Waterworks Districts, to be applied to property not previously served with water or presently served and requesting a larger meter service, beginning upon the effective day of this resolution for Los Angeles County Waterworks District No. 36, Val Verde, Accumulative Capital Outlay (ACO) Fund N47.

2. Find that the proposed resolution amending the Rules and Regulations of the Los Angeles County Waterworks Districts and the Cooperative Agreement with Hasley Canyon Land Company, L.L.C., (Hasley), developer of Tract No. 52584, is to fund capital projects to maintain services in existing service areas and is, therefore, exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code.
3. Adopt the enclosed proposed resolution amending the Rules and Regulations of the Los Angeles County Waterworks Districts.
4. Execute a Cooperative Agreement with Hasley to provide financing for the construction of a potable water well to be effective one day after the execution of the proposed resolution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Currently, the District receives all of its water supplies from the Castaic Lake Water Agency which provides State Water Project water. Because in any given year, State Water Project water may be reduced due to dry weather conditions, regulatory factors, or emergencies, it is critical that the District have another source of water to supply its customers. A new water well is the other source of local water supply. Currently, the District's ACO Fund does not have sufficient funds available to pay for the construction of a new water well. Therefore, the District must enter into a Cooperative Agreement with Hasley, developer of Tract No. 52584, to finance the construction of these improvements and complete them as part of the Hasley development. The development's water well and appurtenances would be oversized to include capacity to service the District's existing customers. The entire project will be initially financed by Hasley. The District will reimburse Hasley over a 7-year period for the oversizing of the facilities

To fund the Districts' share of the proposed capital improvements needed to provide this primary source of water supply, the District must pay approximately \$1,198,000. This cost will be repaid over a 7-year period from the proceeds of the Water Well Surcharge of \$4.90 per month per service connection which will generate \$498,000. The remaining \$700,000 will be generated by the District's current fees.

The new Capital Improvement Billing Unit Charge of \$2,800 per billing unit will be levied on new developments of vacant parcels of land not previously served with water or on presently served parcels requesting a larger meter service. This charge will provide funding to upgrade the existing water system facilities to meet the additional water demand generated from new development.

On November 20, 2002, we presented the need for the proposed changes at the town hall meeting. Twenty-two people attended the meeting. Discussion included the ability of every

customer to pay for the Water Well Surcharge and the impact of new water wells on existing wells. We have received no letters in opposition to this proposal.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goals of Financial Responsibility and Service Excellence. The additional funding generated from the Water Well Surcharge will provide sufficient funds for the construction of a potable water well and appurtenances. These actions will provide needed water services and protection for the health and safety of the District's customers.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund.

The construction cost of the well and appurtenances is estimated to be \$1.86 million. The entire project will be initially financed by Hasley. However, the District will repay Hasley \$1,198,000 over a 7-year period for oversizing the facilities to serve its existing customers.

The additional annual revenue generated from the Water Well Surcharge over the 7-year period will total approximately \$498,000. The District's ACO Fund will also contribute another \$700,000 for a total of \$1,198,000 to supplement the funding of the proposed well construction.

The Capital Improvement Billing Unit Charge is estimated to generate approximately \$4.2 million for our ACO Fund over the next 20 years for the benefit of new development. The \$4.2 million will be utilized to construct a potable water well, forebay tank, disinfection facility, pumping station, water storage reservoirs, and acquire land for these facilities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Establishing the Water Well Surcharge and Capital Improvement Billing Unit Charge is authorized by Section 55501 of the Water Code. Adoption of this resolution will revise the District's Rules and Regulations adopted pursuant to Water Code Section 55333.

To comply with the requirements of Sections 6062a, 66016, and 66018.(a) of the Government Code, the fee increases may only be adopted after a public hearing. These

Code Sections also require that notice of the hearing be mailed to all interested parties who file a written request for such and that notice be published two times in a newspaper of general circulation within a 10-day period with at least 5 intervening days. As of the date of the notice, no valid written request was on file with Public Works nor in the Executive Office of the Board of Supervisors.

The public hearing is being held pursuant to Section 66018.(a) of the Government Code. Notice of the time and place of the hearing was published pursuant to Government Code Section 6062a.

County Counsel has reviewed and approved the proposed resolution, Notice of Hearing, and Cooperative Agreement as to form.

ENVIRONMENTAL DOCUMENTATION

These actions and the proposed resolution amending the Rules and Regulations of the Los Angeles County Waterworks Districts and the Cooperative Agreement with the developer are to fund operating expenses and capital projects to maintain services in existing service areas and are, therefore, exempt from the CEQA pursuant to Section 21080(b)(8) of the Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects during the performance of the recommended services.

CONCLUSION

Please return two adopted copies of this letter, one copy of the resolution marked "LACWWD," three approved copies of the Agreement marked "LACWWD," "Hasley 1," and "Hasley 2," and the enclosed documentation to Public Works, Waterworks and Sewer Maintenance Division. The copy of the Agreement and resolution marked "County" is for your files. In addition, please forward one approved copy of this letter to the Auditor-Controller.

The Honorable Board of Supervisors
June 19, 2003
Page 5

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

GE:nm
BDL2127

Enc.

cc: Auditor-Controller
Chief Administrative Office
County Counsel